

# EXHIBIT A

<sup>(1)</sup> Defendant Hartford denial correspondence of July 8, 2015 (claim Y53 LP 06979)



**CERTIFIED MAIL – RRR, and  
REGULAR FIRST CLASS MAIL**

July 8, 2015

Merrilee Stewart  
Merrilee Turnbull  
Merrilee Rothgeb  
182 Corbins Mill Drive  
Dublin Ohio 43017.

RRL Holding Company of Ohio LLC and IHT Insurance Agency Group LLC vs Merrilee  
Stewart aka Merrilee Turnbull aka Merrilee Rothgeb and TRG United Insurance LLC,  
Court of Common Pleas, Franklin County, Ohio

Re: Insured: IHT Insurance Agency Group LLC  
Claim: Y53 LP 06979

Dear Ms. Stewart:

Please allow this correspondence to acknowledge receipt of the lawsuit for coverage made on behalf of Merrilee Stewart, Merrilee Stewart Turnbull Merrilee Rothgeb (hereafter known as Merilee Stewart etal in the above captioned lawsuit. This will serve to offer our analysis of the coverage that is available to Merrilee Stewart etal, in response to this lawsuit.

We have had an opportunity to review the claim that has been presented in addition to the provisions of IHT Insurance Agency Group LLC insurance policy as you have requested. Based upon the information available to us at this time, we are not accepting the defense and indemnification of Merrilee Stewart etal under the Business Liability Coverage Form, SS 0008 04 05. Our reasons for not accepting coverage under the policy of insurance are offered in the following analysis.

The Sentinel Insurance Company (Hartford) issued **Business Liability Coverage** under the following policy:

<u>Policy Number</u>	<u>Policy Dates</u>	<u>Coverage Limits</u>
33 SBAZJ0321	08/17/2014-2015	\$1,000,000 per claim \$1,000,000 general aggregate

The lawsuit arises from a dispute among members of RRL Holding Company of Ohio LLC which is asserted to be the sole member and owner of IHT Insurance Agency Group LLC. The lawsuit asserts that Merrilee Stewart etal formed TRG United Insurance LLC in direct competition with IHT Insurance Agency and was utilizing IHT Insurance Agency Group LLC resources to further her independent business, sought and obtained direct appointments with insurance carriers. On December 30, 2014 Merrilee Stewart was removed from RRL Holding Company of Ohio LLC and her relationship with IHT Insurance Group LLC was terminated.

The Hartford  
P.O. Box 14263  
Lexington, KY 40512-4263  
Office (888) 525 2652  
Fax (866) 809 1178

### **Business Liability Policy**

With respect to the coverage provided to Merrilee Stewart, etal the Business Liability coverage provided under the Hartford policy is sensitive to the terms, conditions and definitions found in the policy, as specifically referenced in Business Liability Coverage form SS 0008 04 05. Coverage for bodily injury, property damage, personal injury and advertising injury is provided under Coverage A.

The policy lists as the named insure IHT Insurance Group LLC. Coverage afforded under the Hartford policy is also reliant upon the terms and conditions form SS 0008 04 05, which reads in pertinent part:

#### **BUSINESS LIABILITY COVERAGE FORM SS 0005 0405**

#### **A. COVERAGES**

##### **1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)**

##### **Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.
- b. This insurance applies:
  - (1) To "bodily injury" and "property damage" only if:
    - (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
    - (b) The "bodily injury" or "property damage" occurs during the policy period; and
    - (c) Prior to the policy period, no insured listed under Paragraph 1. of Section C. – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
  - (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

**C. WHO IS AN INSURED**

1. If you are designated in the Declarations as:
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
2. Each of the following is also an insured:
  - a. Employees And Volunteer Workers  
 Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.  
 However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

**G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS**

5. "Bodily injury" means physical:
  - a. Injury;
  - b. Sickness; or
  - c. Disease
 sustained by a person and, if arising out of the above, mental anguish or death at any time.
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral, written or electronic publication of material that violates a person's right of privacy;
  - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";



- g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or

20. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.

As used in this definition, "electronic data" is not tangible property

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

## B. EXCLUSIONS

### 1. Applicable To Business Liability Coverage

This insurance does not apply to:

#### a. Expected Or Intended Injury

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

#### b. Contractual Liability

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or
- (b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose

of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

- (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
- (ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";

**Amendment of Exclusions and Definition-Personal and Advertising Injury, SS 41 62 06 11** modifies insurance provided under the Business Liability coverage form and reads in part as follows:

- C. Paragraphs c. and h. of the definition of "personal and advertising injury" in the Definitions Section are replaced by the following:  
"Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person or organization occupies, committed by or on behalf of its owner, landlord or lessor;
  - h. Discrimination that results in humiliation or other injury to the feelings or reputation of a natural person

**Exclusion-Insurance and Related Operations** modifies insurance under Business Liability Coverage Form, SS 05 04 04 05 reads in part as follows:

The following exclusion is added to Paragraph 1., Applicable to Business Liability Coverage (Section B.-EXCLUSIONS):

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

- 1. a. Any obligation assumed by any insured; or
    - b. The failure to discharge, or the improper discharge of, any obligation or duty, contractual or otherwise,
- with respect to any contract or treaty of insurance, reinsurance, suretyship, annuity, endowment or employee benefit plan, including applications, receipts or binders;

3. The rendering or failure to render any professional service, including but not limited to:
  - a. Advising, inspecting, reporting or making recommendations in the insured's capacity as an insurance company, consultant, broker, agent or representative thereof;

### **LAWSUIT**

First Cause of Action-Breach of Fiduciary Duties asserts that Merrilee Stewart, etal owed RRL Holding Company of Ohio LLC and IHT Insurance Agency Group LLC duties of loyalty and care as set forth in the operating agreement and breached those duties.

Second Cause of Action-Negligence asserts that Merrilee Stewart negligently breach her fiduciary duties.

Third Cause of Action-Conversion asserts that Merrilee Stewart etal wrongfully retained, gained possession, exercise substantial dominion and control over data, information and property of which RRL Holding Company of Ohio LLC and IHT Insurance Agency Group LLC have legal ownership and legal right of possession.

Fourth Cause of Action -Defamation/Libel/Slander asserts Merrilee Stewart published verbally and or in writing unprivileged and false statements regarding RRL Holding Company of Ohio LLC and IHT Insurance Agency Group LLC.

Fifth Cause of Action -Replevin RC 2737 requests that the court order Merrilee Stewart return all property legally belonging to RRL Holding Company of Ohio LLC and IHT Insurance Agency Group LLC.

Sixth cause of Action-Preliminary Injunction seeks among other things that the court prevent Merrilee Stewart, etal from representing to any person, business or entity or enter into any business arrangement, transaction that she is an employee, agent, authorize representative boing business or in any way working with RRL Holding Company of Ohio LLC and IHT Insurance Agency Group LLC. An injunction is sought to prevent Merrilee Stewart, etal from contacting, current or former employee, utilizing any trade secrets or confidential business information.

### **Coverage Analysis Business Liability Policy**

Merrilee Stewart does not qualify as an insured as she is being sued in her individual capacity and as owner of TRG United Insurance LLC. The insuring agreement is not triggered. Merrilee Stewart, etal would qualify as an insured only with respect to the conduct of the business of IHT Insurance Agency Group LLC. The lawsuit asserts that she was not acting within the scope of employment of IHT Insurance Agency Group LLC but was in competition with IHT Insurance Agency Group LLC and RRL Holding Company of OHIO LLC and was terminated from employment on December 30, 2014. The insuring agreement is not triggered.



To the extent that there is any liability associated with defamation/libel/slander (Fourth Cause of Action) Merrilee Stewart does not qualify as an insured for "personal and advertising injury" to members. The insuring agreement is not triggered.

There are no allegations within the lawsuit that meet the definition of a "bodily injury" or "property damage" arising from an "occurrence". The insuring agreement is not triggered.

To the extent that there is any liability associated with a breach of contract (breach of operating agreement)(First Cause of Action, Second Cause of Action) there is no coverage as those allegations are subject to Section B 1 a (1)(2) Expected or Intended Injury, 1 b Contractual, p 4 breach of contract.

To the extent that there is any liability associated with conversion (Third Cause of Action) there is no coverage as those claims are subject to Section B Exclusion 1 p (3) arising out of a criminal act committed by or at the direction of the insured.

To the extent that there is any liability associated with replevin (Fifth Cause of Action) there is no coverage as those allegations do not meet the definition of a "bodily injury" or "property damage" arising from an "occurrence" nor do they meet the definition of a "personal and advertising injury" arising from any of the enumerated offenses, the insuring agreement is not triggered. The insuring agreement reads in part: "We will pay those sums that the insured becomes legally obligated to pay etc. The Fifth Cause of Action seeks specific acts by Merrilee Stewart and therefore the insuring agreement is not triggered.

To the extent that there is any liability associated with the Sixth Cause of Action seeking preliminary injunction there is no coverage for the same reason as there is no coverage for the Fifth Cause of Action, insuring agreement not triggered, specific actions sought.

To the extent that there is any liability associated with insurance and related operations there is no coverage. Exclusion-Insurance and Related Operations, SS 0504 0405 modified the Business Liability Coverage and the insurance does not apply to any obligation assumed by any insured (operating agreement) with respect to any contract, etc and or the failure to discharge or the improper discharge of , any obligation or duty, contractual or otherwise.

To the extent that there is any liability associated with insurance and related operations there is no coverage for rendering or failure to render any professional service including but not limited to consultant, broker, agent, etc.

The Hartford will not provide defense and or indemnification of Merrilee Stewart etal as she does not qualify as an insured, the insuring agreement is not triggered and the allegations are subject to the exclusions cited.

If you have any questions or disagree with anything in this letter please contact us immediately. If there are any additional facts or information you would like us to consider, please bring them to our attention as soon as possible.

It must be understood however, that this company does not thereby waive any of its rights under this policy as to this or any other matter, nor does it consent that any of the terms of the policy are in any manner waived, altered, extended, varied or enlarged, including the occurrence or potential claim in question.



The foregoing in no way constitutes, or should be considered as a waiver or relinquishment by the company of any and all other defenses available to it under the terms and provisions of its policy of insurance and under applicable state law.

Additionally, the foregoing in no way restricts or limits the company from relying upon or inserting other facts and grounds that may subsequently become known to it.

This letter is sent without prejudice and is not to be considered a waiver of the insured's rights nor the company's rights hereunder.

Very truly yours,

Julie Dengler CPCU SCLA  
Claim Consultant  
Sentinel Casualty Insurance Company  
877 625 2652 ext 2303449

CC: IHT Insurance Agency Group LLC  
Attention: Rodney Mayhill  
6457 Reflections Drive  
Dublin, Ohio 43017